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September 3, 2009

EX PARTE PRESENTATION

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12^{th} Street, S.W.
Washington, D.C. 20554

Re: *National Broadband Plan for Our Future*, GN Docket. 09-51

Dear Ms. Dortch:

On Monday, August 31, Walter McCormick and I met with Chairman Genachowski, Bruce Gottlieb and Priya Aiyar. We discussed our support for the Commission's broadband planning efforts and the benefits that broadband deployment and adoption bring. We urged the Commission to address the financial fundamentals of the industry in its broadband planning by reviewing and reforming intercarrier compensation and the universal service fund. We also reviewed the attached slides concerning investment, competition and jobs.

Pursuant to Section 1.1206(b) of the Commission's rules, a copy of this electronic notice is being filed in the above-referenced dockets. Please call me if you have any questions.

Sincerely,

Jonathan Banks

Jonathan Banks
Senior Vice President, Law & Policy

Attachment
cc: Bruce Gottlieb
Priya Aiyer

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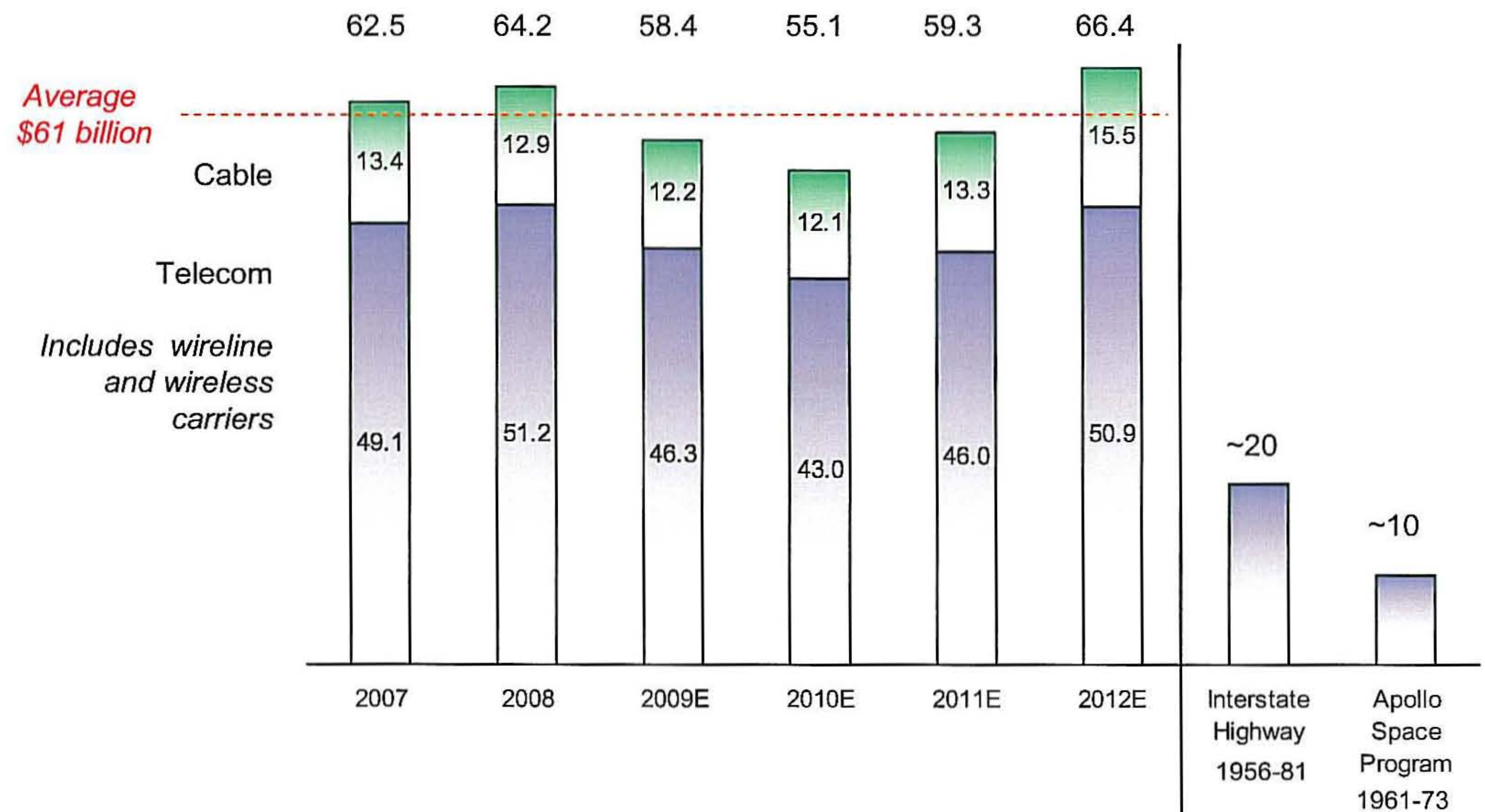
We are Broadband.

Investment, Competition and Jobs

August 31, 2009

Broadband Providers Invest over $60 Billion a Year in Networks

U.S. Carrier Capital Expenditures ($ billions)



Source: Yankee Group Research, Inc. Data are in nominal dollars. Wireless figures do not include payments to the government for spectrum licenses.

Source: USTelecom Analysis. Figures are in 2006 dollars, based on the most current highway construction price deflator.

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Wireline Broadband Prices Falling, Speeds Rising, Options Increasing

Weighted Average Monthly Prices for Top 5 ILEC Wireline Broadband Services

Year	Maximum Advertised Price by Downstream Speed Tier					
	Up to 768 kbps	768 kbps -1.5 mbps	Up to 3.0 mbps	Up to 7.0 mbps	Up to 15 mbps	Up to 30 mbps
2001	*	$50	n/a	n/a	n/a	n/a
2002	$28	$32	*	n/a	n/a	n/a
2003	$28	$30	*	n/a	n/a	n/a
2004	$30	$33	$46	*	*	n/a
2005	$20	$27	$33	$39	*	*
2006	$20	$23	$28	$36	*	*
2007	$18	$25	$28	$39	$51	*

- ***The price of a basic wireline broadband connection has fallen by at least half since 2001***
- ***Consumers today can get at least 10 to 20 times the speed today for the same ~$50 spent in 2001***
- ***Consumers have many more choices today—both higher and lower speed offerings and more flexible options—compared to earlier this decade***

Sources: Company data, press releases, and USTelecom analysis. For details on methodology, see our website at www.ustelecom.org
n/a = service not available
* = insufficient data, fewer than two reporting carriers and less than one-third of access lines represented

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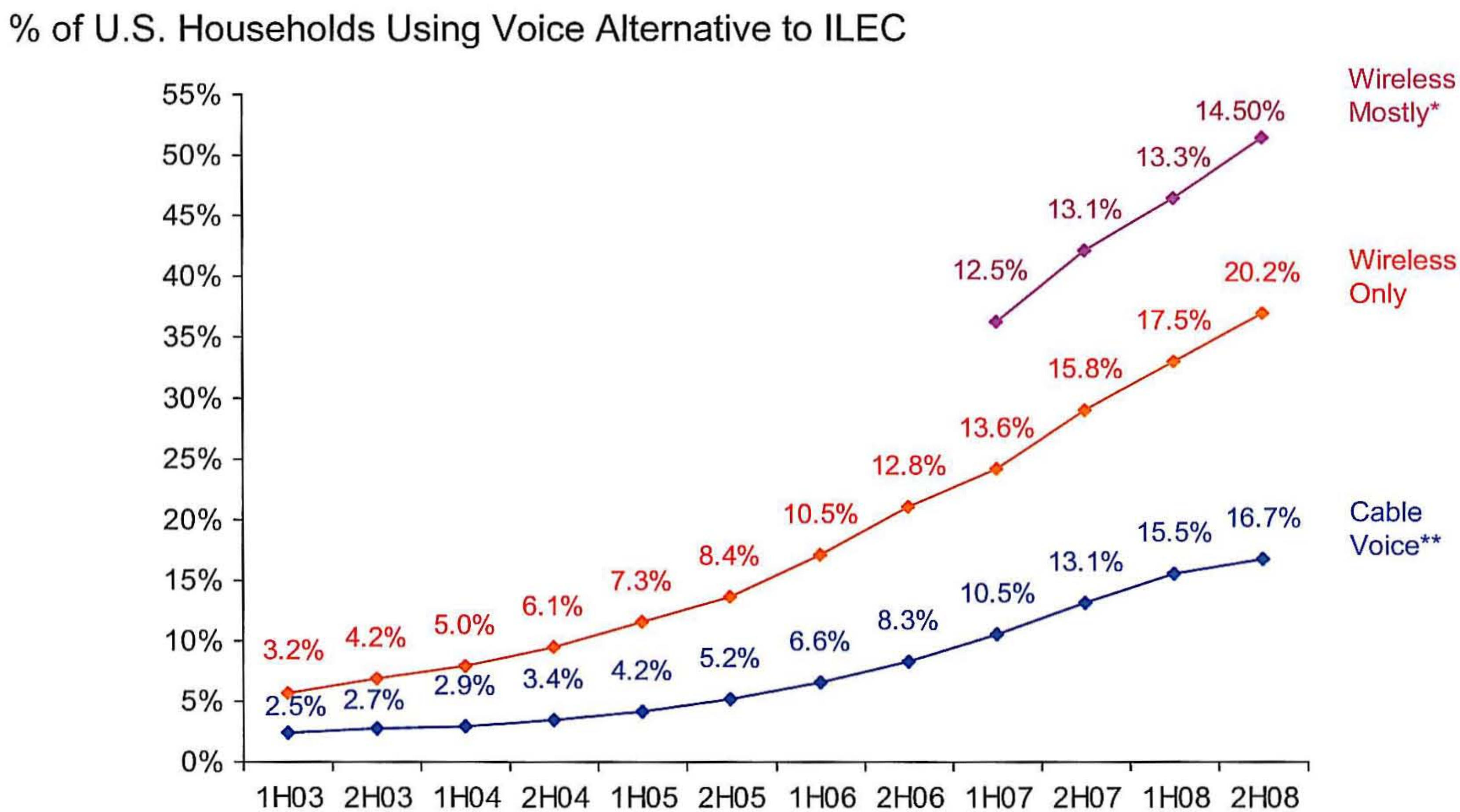
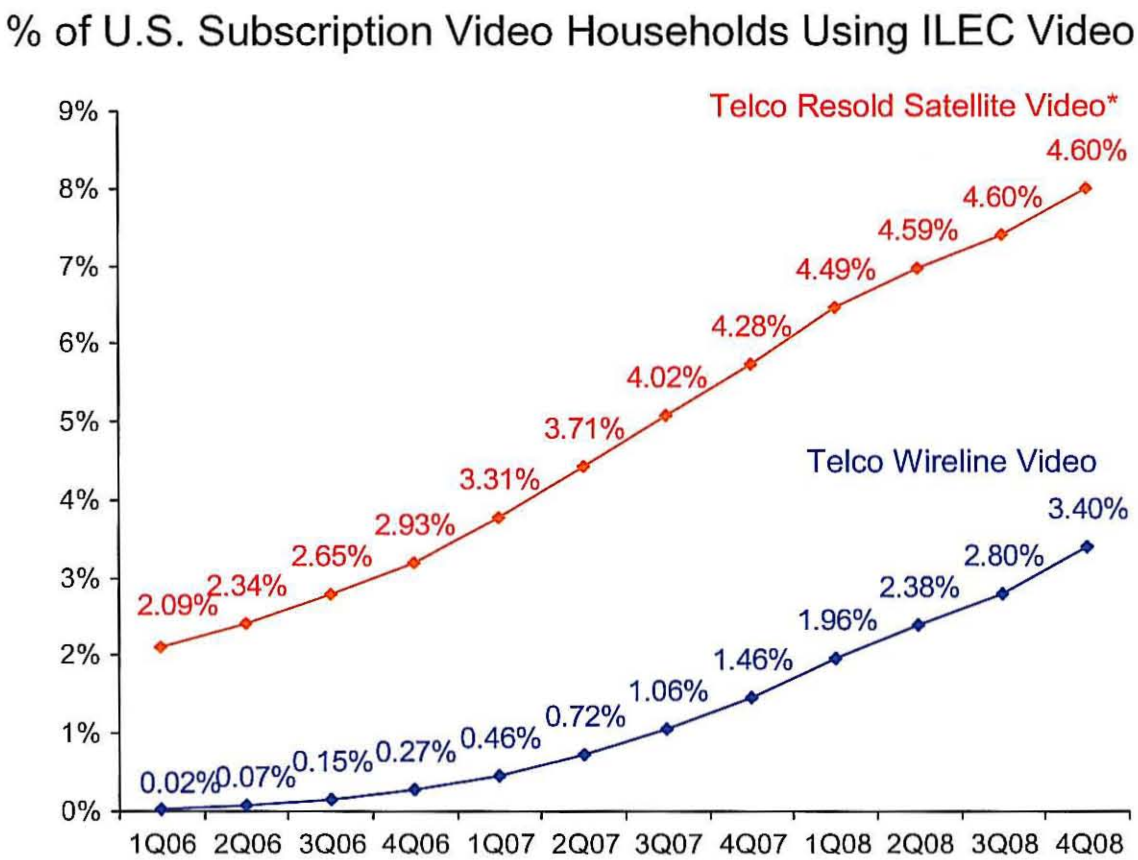
Voice Market Demonstrates Impact of Facilities-Based Competition



Updated August 2009

Source: NCTA; Centers for Disease Control; U.S. Census Bureau, USTelecom Analysis. * Wireless mostly means a majority of calls are received via wireless, even though the customer retains a wireline service. ** NCTA reported subscribers as 15.1 million for 4Q07, 16.5 million for 1Q08, and 21.1 million as of 2Q09. We estimate approximately 18 million in 1H08 based on linear trend and 19.6 million as of 4Q08. Household penetration is based on annual households in Census Table HH-1 (though 2008), averaged for mid-year estimates.

Video Market Competition Intensifying as Telco Entry Barriers Lowered

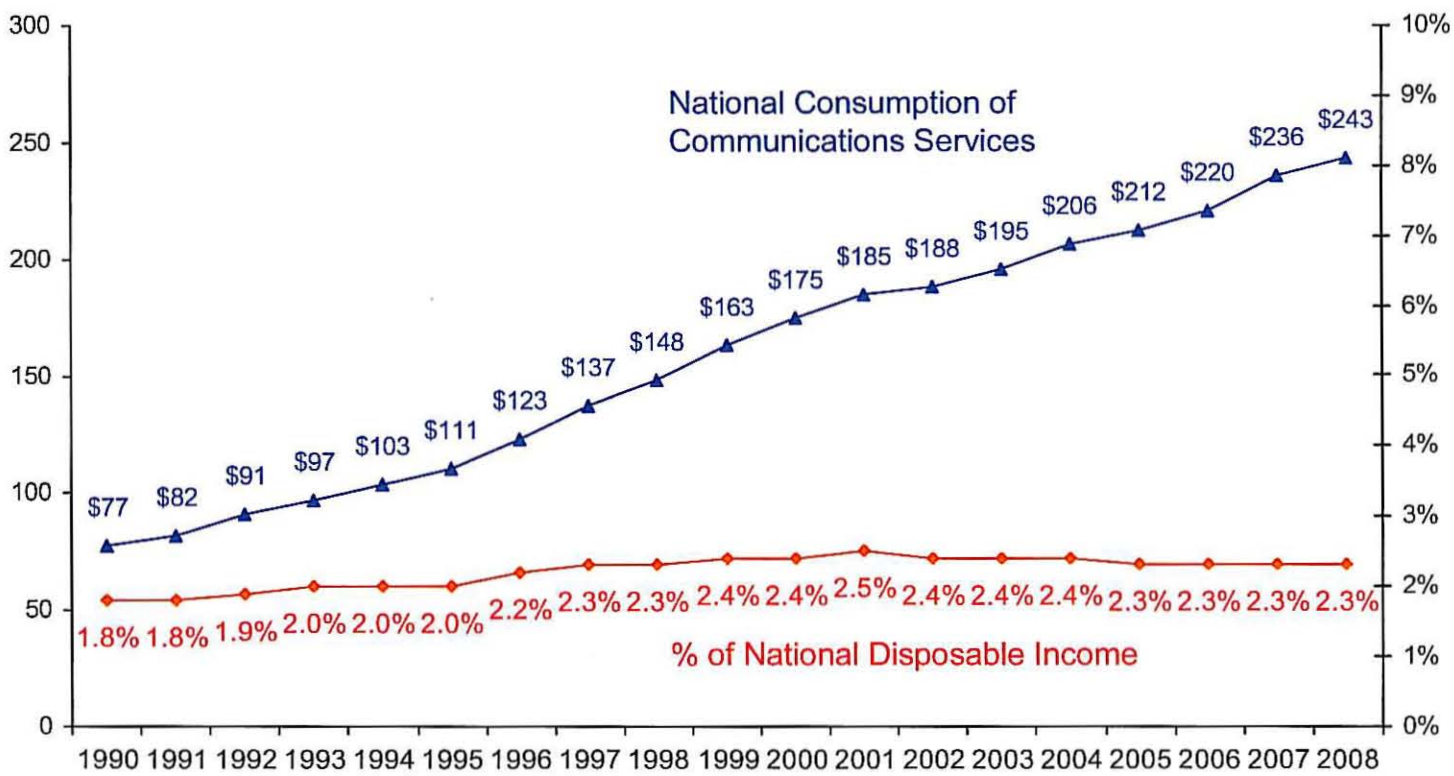


The FCC found that cable rates are 17% lower in markets with a wireline competitor

Source: Telco video subscribers derived from company financial reports. Total video market and telco landline video derived from Yankee Group Research, Inc. Consumer Service Provider Monitor, June 2009, and USTelecom analysis. * Telco satellite video includes only top 8 incumbent local exchange carriers, and therefore the telco share is likely to be slightly understated.

Communications Consumption Is Growing but Flat as Share of Income

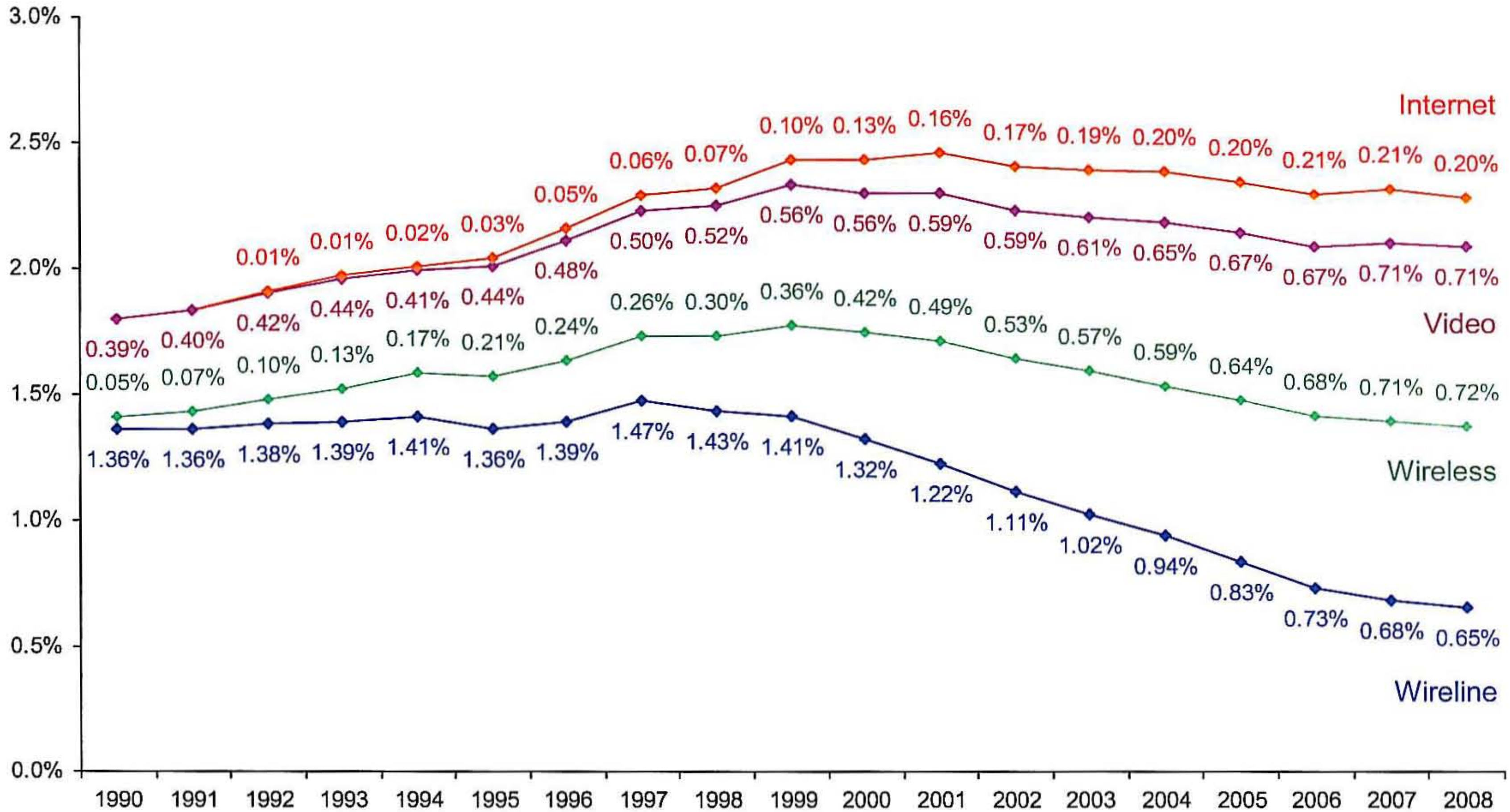
U.S. Personal Consumption Expenditures on Communications Services ($ billions) and % of National Disposable Income



Source: U.S. Department of Commerce, Bureau of Economic Analysis and USTelecom Analysis.

Consumption Is Shifting to Broadband, Entertainment, and Wireless

Communications Personal Consumption Expenditures (PCE) % of National Disposable Income



Source: U.S. Department of Commerce, Bureau of Economic Analysis and USTelecom Analysis.

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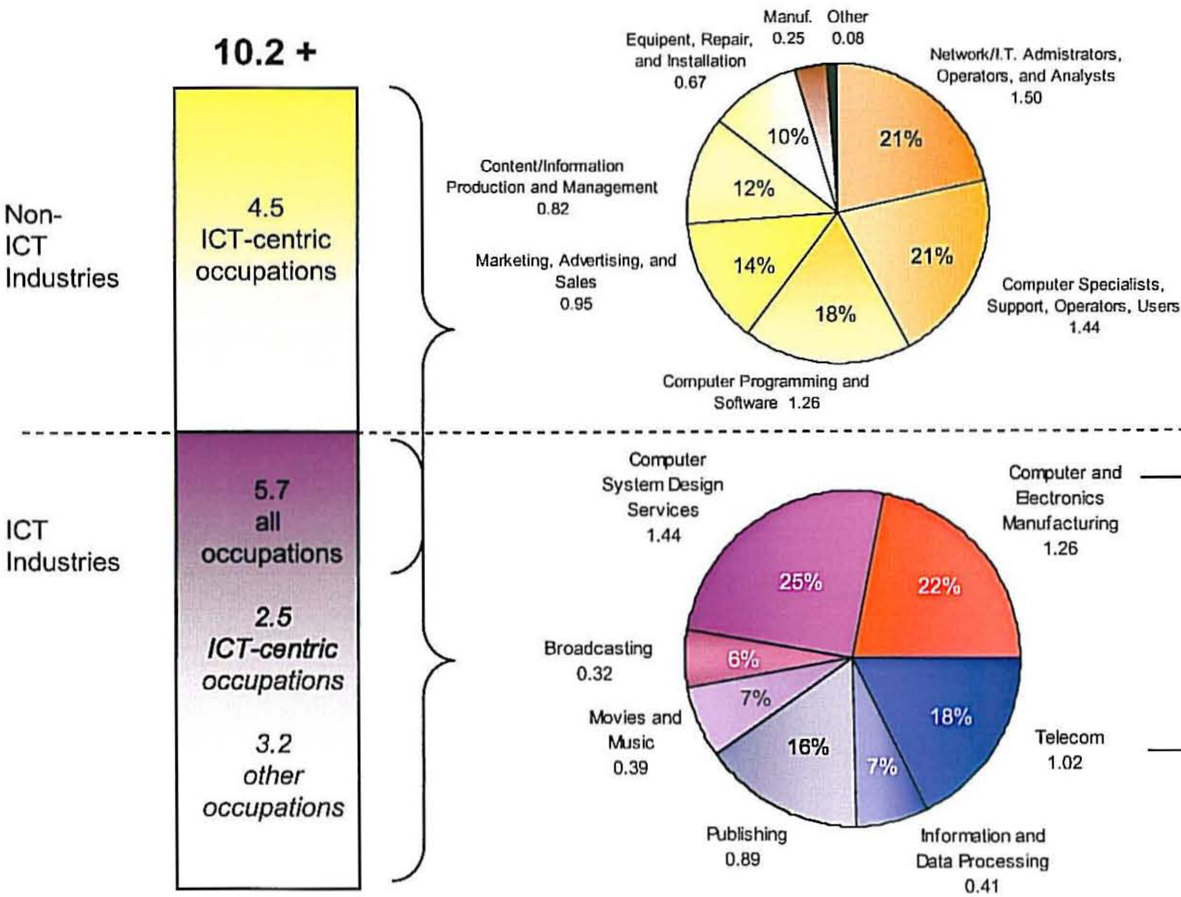
ICT Generates 10+ Million High Value Jobs

Total U.S. Non-Farm Employment* 2008 (millions)



~10 million ICT jobs are 7.5% of non-farm employment

ICT Industry jobs pay 51% higher than national average

ICT jobs projected to be among fastest growing in economy

Manufacturing Segment	Jobs (Millions)
Semis/Components	0.441
Instruments	0.442
Computers/Peripherals	0.183
Communications Equipment	0.129
Other	0.062
Total	1.256

Telecom Segment	Jobs (Millions)
Wireline & Cable MSO	0.672
Wireless	0.196
Satellite/Other	0.154
Total	1.022

Source: U.S. Department of Labor, Bureau of Labor Statistics, Occupational Employment Statistics and USTelecom Analysis. * Does not capture agricultural or self-employed (9.5 million in May 2008) workers or the "multiplier effect" of jobs created outside of the ICT sectors to support ICT firms and employees (e.g., lawyers, property managers, general management consultants, and others). Occupational data include ICT industry employees.